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ADDRESS

TO

THE NEW HAMPSHIRE  
BANKERS' ASSOCIATION

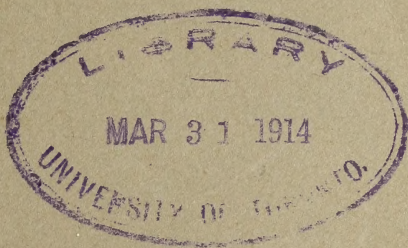
BY

HOWARD ELLIOTT

Chief Executive Officer

of

THE NEW YORK NEW HAVEN AND HARTFORD  
RAILROAD SYSTEM



MANCHESTER, NEW HAMPSHIRE

January 27, 1914






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BANKERS' ASSOCIATION**

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*Mr. Toastmaster, Ladies and Gentlemen:*

It is always a great pleasure to me to have a chance to meet with New Hampshire people, and also to meet and talk with those who represent the important business interests of this state, and particularly to meet some of the bankers, because they are and must continue to be one of the very important agencies in promoting the welfare of any community.

I have many early recollections in New Hampshire, because, as a boy, my family used to go to the White Mountains, and I have fished for trout in many of your streams and have climbed some of the mountains in the Presidential Range. Later, when I had a family of my own, I spent many summers at Little Boar's Head and visited frequently the Isles of Shoals and took my children to see Celia Thaxter's cottage, because her husband was a cousin of my mother's and because I had met her as a small boy. Still more recently, my family has gone to the beautiful hill country around Mount Monadnock, which has so much in it that is inspiring and invigorating.

New Hampshire men and money have contributed their share to pushing forward the country in a material way, and now, in addition, she is doing good work in attracting thousands of people to her sea-coast, lakes and hills for their holiday season.

I have therefore a sentimental feeling, as well as a business feeling, in appearing before you this evening, and I want to thank you most warmly for the invitation, and to express my appreciation of the kindly motive that prompted your asking me to be here.

**The Banker's Influence** The importance of the banker cannot well be overestimated. His value to the community has both a material and a moral aspect. He encourages thrift among the people. He is a great conservator. It is to his interest to foster all legitimate forms of



industry, and thus he helps in the material advancement of the people. But, in a moral sense, he is even more important to the general welfare because, naturally a conservative himself, he exerts a sobering influence on public sentiment.

He comes in contact in his business with all kinds of people. His bank is not only an exchange for money; it is an exchange of thought, of the opinion and sentiment of the people concerning questions of the day. In exercising a restraining influence upon prejudiced thought, and hasty conclusions, the banker can do more to offset the work of the doctrinaire and demagogue than perhaps any single agency, outside of the press. He helps to create that same public sentiment, which is the bulwark of our institutions.

That there is urgent need of calm, judicial consideration of some of the great questions and ideas of the day I think all will admit. Among these ideas, none, perhaps, is more singular than one held by a certain proportion of the public, that those who have spent their lives in a given business are not to be trusted to manage the business.

**Trained Men Needed** A book has been written recently called "The Cult of Incompetence," which touches upon this temporary drift of modern thought. Individually, when one of us is sick, we try to get the best and most experienced doctor we can; if we want to build a mill we get the best mill builder we can; if we wish to develop a water power we get the best engineer we can. Collectively, however, when we want to direct the very complicated agencies of business, both public service corporations and large industrial affairs, there is a tendency to turn to men, very good men in many cases, who are desirous of doing good work, but men who have not been experienced in the particular class of business that the people, through their legislatures and commissions, are trying to regulate and, to a very large extent, manage to the uttermost detail. That the owners of property have

made some mistakes in the past in trying to provide what the people want in the way of food, shelter, clothing, and the many luxuries that the American people enjoy, is true; but, on the whole, they have done a very good work and have been improving methods day after day and year after year.

**Conditions**      Now, however, society, because of some mis-  
**Demand**        takes made by the men who have made the  
**Caution**        nation, is taking up the question of regulating  
and managing these forms of business, including  
that in which the bankers are so vitally interested, and there  
is danger that in an honest effort to correct some of the  
mistakes that the owners have made, the government will make  
other mistakes which, in the long run, may be worse than  
those made by the owners. Therefore, all who have a true  
and patriotic interest in the welfare of the community and of  
their country should exercise their influence to counsel  
extreme wisdom and caution in dealing with these complicated  
and delicately adjusted questions of business.

Let me quote from a speech made in 1838 by one of New  
Hampshire's greatest sons, and America's greatest orators,  
Daniel Webster:—

“There are persons who constantly clamor, they  
complain of oppression, speculation and the pernicious  
influence of accumulated wealth. They cry out loudly  
against all banks and corporations and all means by  
which small capitals become united in order to produce  
important and beneficial results. They carry on mad  
hostility against all established institutions. They would  
choke the fountain of industry and dry all the streams.  
In a country of unbounded liberty they clamor against  
oppression. In a country of perfect equality they  
would move heaven and earth against privilege and  
monopoly. In a country where property is more evenly  
divided than anywhere else, they rend the air, shouting  
agrarian doctrines. In a country where the wages of  
labor are high beyond parallel they would teach the  
laborer that he is but an oppressed slave.”



It sounds as if that might have been written within the last year.

**New  
Hampshire's  
Fairness**

Once evils have been exposed and a remedy outlined, the people should assist in co-operating with those who sincerely, honestly and earnestly are making an effort to correct them and to conform to the law. In this respect the people of New Hampshire have shown, I think, that they are disposed to be fair and patient and to cooperate. This has been reflected in a change of attitude towards the Boston & Maine Railroad since that company announced a few years ago that in its relations with the people and their representatives it would endeavor to do nothing which was not in accord with the soundest principles.

I am told that the conduct of the Company in matters before the Legislature during the last few years has shown that it was sincere in its purpose. The platform laid down has been lived up to. The railroad has shown the people of the state and their representatives what was necessary in a frank and manly manner; and on the other hand, as your Governor has said, the Legislature has responded in a like frank and manly manner. This is a satisfactory result of the new policy and indicates confidence.

In 1913 the railroad went directly to the Governor and the Legislature and requested that an opportunity be given to increase its rates. The Legislature adopted a bill which, in substance, directed the Public Service Commission to increase rates if they found the circumstances justified such action. Within a few weeks the Commission filed a report, stating that the railroads should have a reasonable increase in rates.

**Co-operative  
Policy  
Endorsed**

In the very great work imposed upon me in connection with the New Haven Company in Massachusetts, Connecticut, Rhode Island and New York, I shall try to carry out this same policy, trusting



in the good common sense of the people, and I believe that this policy will in time be reflected through their Legislatures so that they will treat their harassed and crippled servant, the railroad, in such a way that it can be strengthened and carry the burden that is imposed upon it; that New England shall grow and develop as it should.

With a little patience and help and with other communities taking the same advanced position that New Hampshire has in favor of fair treatment of the public service corporations, New England's transportation problem, I believe, can and will be worked out with perfect satisfaction to all.

**Interests of  
Banks and  
Railroads**

It is possibly superfluous to say to you, that the interests of the banks and railroads are reciprocal, because business is interdependent and becoming more so in our complex modern life. Now since railroad securities generally constitute a considerable part of a bank's holdings the relation between these two kinds of business is even closer because the banks and their stockholders are part owners of the railroads and therefore must be interested in the welfare of the railroads. In New Hampshire there were last June fifty-six savings banks and six trust companies with special savings departments, and the savings on deposit amounted to \$104,449,537, belonging to 227,152 persons. The savings in the savings banks alone amounted to \$230 per capita of the whole population as compared with \$46 for the United States as a whole.

**Government  
Regulation and  
Supervision**

In the present tendency of thought and feeling in this country, as shown in the action of the people through their representatives, the banks and the railways have a common interest, because, (though private enterprises and owned by private individuals) both are already subject to government regulation. Such regulation is predicated on the fact, of

course, that the service they perform is of a quasi-public character. It is interesting to note, however, the difference in the degree to which government regulation and supervision has been applied to the banks and to the railways. This regulation of the banking business so far, has not gone to the extremes that it has in the railroad business or curtailed the ability to attract new capital; but the same thing can hardly be said of the railways, for regulation in their case has gone so far as practically to fix the price of what the railway has to sell — transportation, and to fix many of the rules under which it works and many of the wages. Thus, the railway, unlike most businesses, has not been able to adjust its prices for what it has to sell to the higher cost of materials and labor, to the more complicated system of doing business, and to the changing economic conditions current throughout the world.

Banks are still permitted to adjust their business to the law of supply and demand, changing their rates and accommodations in accordance with the supply of money. The railway, on the other hand, with the price of what it sells outside of its control, must meet so far as it can the rising cost of labor, material and capital by drastic economies and retrenchment, or else become a bankrupt.

<b>Some Railway Figures</b>	The net capital and funded debt of 386 railway companies in 1912 was \$14,657,545,069. These companies declared dividends of \$246,621,701, which was only 3 to 3 1-2 per cent on the \$7,016,703,076 capital stock of these companies.
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The thirty-five railway systems East of the Mississippi and North of the Ohio and Potomac Rivers in the most populous part of the United States, had an increase of \$201,000,000 in operating expenses and taxes from 1910 to 1913, while gross earnings increased only \$187,000,000.



Their net operating income out of which improvements and betterments must come, as well as dividends, actually decreased \$16,311,000, and in these three years there was put into the properties \$660,000,000 of new money, upon which not a dollar was earned.

**Better Showing for Banks** With the banks you have been more successful. Between 1903 and 1913 there was an increase of 2704 in the number of national banks and an increase in the capital of such banks of \$328,923,000. The ratio of dividends to capital increased from 8.79 in 1903 to 11.40 in 1913. Is it likely that there would have been any such increase in the banking business and in the return on banking capital if the conditions of regulation had been the same? As yet no way has been devised by which legislation or governmental commissions can get the dollar out of the investor's pocket if he wants to keep it there. And, the investor will keep that dollar in his pocket, or at least away from the railway, until he is pretty sure that conditions are such that it will earn for him a fair return.

**Effect of Greater Costs** Since 1898 through the operation of certain certain great economic laws, there has been a steady increase in the prices of nearly all commodities, and this has affected the railway just as it has affected every other industry, with the difference that the railway alone has been unable to increase its rates to meet these rising prices.

What has been the result? The artisan, forced to pay more for what he consumes has secured greater remuneration for his labor. The farmer, finding his cost of living higher and having to pay more to his farm hands, has asked and received more for his farm products. It has been the same with the manufacturer and the retailer.

**Prof. Falkner's Deductions**      How has the railway fared, as compared with, for example, the farmer? Prof. Rowland Post Falkner, the statistician, has made a very interesting table based on what is now regarded as a most trustworthy method of ascertaining price changes, namely, the so-called index system. By this method a great variety of prices, dealing with different commodities, in different ways, are reduced to a common denominator. As a standard Prof. Falkner has taken for his table the average wholesale price of the ten years, 1890-1900, calling this 100. Expressed in this way the relative prices of all commodities in the year 1899 was 101.7, in 1905 it was 115.9, in 1912 it was 133.6.

Suppose that this table is applied to the farmer's business. In 1899 farmers in New England got an average of 51c per bushel for corn, in 1909 they got 67c. In order to determine the purchasing power of a bushel of corn, it is necessary to divide the price per bushel by the index number of prices for the year as established by Prof. Falkner's table. For example:

Receipts per bushel of corn 1899	51 cents
Index number of prices 1899	101.7
Purchasing power of bushel of corn	50.1 cents

In 1909 the results would be as follows:

Receipts per bushel of corn 1909	67 cents
Index number of prices 1909	126.5
Purchasing power of bushel of corn	52.9 cents

It will be seen from this that the farmer has fared well. In fact, he has been able to gain a little bit over his increased expenses. But suppose, like the railroad, the farmer had been unable to raise his prices, though forced to pay more for all that he bought, what then would have been the net result of his corn-raising in the year 1909? Instead of getting 67 cents per bushel he would have received but 51 cents, and the pur-



chasing power of this 51 cents would, in the ten years, have declined to 40.3 cents. For example:

Receipts per bushel of corn	51 cents
Index number of prices 1909	126.5
Purchasing power of bushel of corn	40.3 cents

Unfortunately, unlike the farmer, the retailer and the manufacturer, the railroad, in the face of these changing economic conditions, has not only been unable to raise the price of what it has to sell, but has had to submit to even lower prices. Take the Boston & Maine, for example:

Receipts per ton mile, 1911	10.95 mills
Index number of prices, 1911	129.2
Purchasing power of receipts per ton mile	8.47 mills
Receipts per ton mile, 1912	10.89 mills
Index number of prices, 1912	133.6
Purchasing power of receipts per ton mile	8.15 mills

**Those** It will be seen from this that not only have  
**Deductions** the receipts of the railway, expressed in  
**Explained** terms of money, declined, but that the purchasing power of these receipts have suffered a still greater decline. The railway's position is comparable to that of a farmer forced to accept for his corn the prices prevailing in 1899. The diminution in the purchasing power of ton mile receipts, amounting to .32 mills between 1911 and 1912 seems small in the unit, but when spread over the entire earnings of a railway it means a great deal; about \$870,000 in 1913. Greater efficiency in railway management and the growth of business have helped somewhat to offset the effect of this on railway income, but each year, with the rising prices, this condition has meant an increasing burden.

In the last few years the farmers of the country on the whole have been prosperous. So have manufacturers and business men, but upon the railway industry this economic

change has laid a heavy hand, with the result of an increased cost of capital, which has been one of the causes that have brought railway construction and improvement almost to a standstill.

Obedient in part to these laws, the cost of labor, for the railway at least, has been rising more rapidly than any other expense. In the last four years the wages on the Boston & Maine, for a like amount of labor, have increased \$1,965,435, and the recent arbitration award for conductors and trainmen will add probably \$300,000 more. On the Maine Central the increase in four years has amounted to \$392,202. No one begrudges the payment of good wages if the money can be found, but the public in the long run must foot the bill.

<b>Local</b>	A good transportation system, and one that
<b>Agriculture</b>	is able to expand with the growth of business,
<b>Declining</b>	is urgently needed if New Hampshire, and

New England generally, is to continue its remarkable industrial development, and it is just as urgently needed if there is to be here that revival of agriculture, to which thoughtful men, alarmed at the decrease in food production, are today giving increased attention. Agriculture in New Hampshire has steadily declined, and that means more food must be brought here. This problem in New Hampshire is not a new one. In 1682 the first New Hampshire Council, in a report sent to the English Lords of Trade, said, "In reference to the improvement of lands by tillage, our soil is generally so barren, and the winters generally so extremely cold and long that there is not provision enough raised to supply the inhabitants." But we all know that New Hampshire can produce good crops and good stock.

In the last Census, New Hampshire's urban population increased 12.9 per cent and the rural population decreased 5.4 per cent, a greater decline than in any of the New England states, save Rhode Island. In 1870, 30.94 per cent of the



people lived in centers of 2500 or over; in 1910, 59.25 per cent lived in such centers. In 1860, 64.8 per cent of the state's area was in farms, and 63.2 per cent of this farmland was improved or cultivated. In 1910, 56.2 per cent was in farms and only 28.6 per cent of these farms was improved or cultivated. In 1880, New Hampshire produced 7.91 per cent bushels of cereals per every inhabitant; in 1890, 5.62 per cent, in 1900, 4.08 per cent, and in 1910, 3.15 per cent. In 1880 she produced 9.68 per cent bushels of potatoes per each inhabitant; in 1910, only 5.48 per cent bushels. The hay production per capita has declined from 1.70 per cent in 1880 to 1.35 in 1910. There were in 1910, 8,145 less dairy cows than there were in 1890, with 55,000 more people needing milk. There were 5,065,188 pounds of butter made on farms in 1910 and 7,942,840 in 1890.

Why has there been this great decline in the soil production of New Hampshire? Has it been due to a lack of profit in farming here, or must it be attributed solely to social causes, to the desire of people to mingle together in cities, though it often means greater discomfort and less return for labor. It has been due probably to both of these causes. Many agencies are at work today trying to teach the farmer new methods, to acquaint him with the needs of his soil, to instill in him methods of efficiency and to make him more practical and then more prosperous. It is a work in which all should enlist, but if New England agriculture is to be revived, if this movement from the land is to be checked, there must also be included within the scope of this work the improvement of country life, better roads, more social amusements, better schools, to keep people on the farm.

## **Norway and**

## **New Hampshire**

While other countries are confronted with the same problem, notably England, where a back to the land movement is being actively fostered by the government, the practice in these

countries of more intensive methods of agriculture has to some extent offset the effect of the urban movement. It might be well in connection with the potential food supply of New Hampshire to examine the results obtained in a country of similar topography, latitude and climate, as Norway.

	Norway	N. H.
Area square miles	119,549	9,031
Population	2,393,906	430,572
Per square mile	20	47.7

Norway has fifteen cities of 10,000 or more, Christiania having a population of 242,000, but its population has remained substantially agricultural. Only 5 per cent of the population in 1911 was engaged in industrial enterprises, although this did not include the so-called household industries, of which there is nothing quite analogous in this country. New Hampshire had, in 1909, 78,658 persons engaged in manufacturing industry, or something over 18 per cent. In 1870, 17 per cent of the population of Norway was classed as urban, and in 1910, this had risen to 28.8 per cent. In 1870, 22.2 per cent of the people of New Hampshire lived in cities of 5,000 and over; in 1910, 49.7 per cent.

In the last thirty years, despite this urban movement, Norway has not reduced appreciably the area devoted to food crops. What about New Hampshire? In 1879, 85,559 acres were planted to cereal crops and in 1909, 32,928 acres, a decrease of nearly two-thirds. In 1879, 28,778 acres of New Hampshire land were devoted to raising potatoes; in 1909 only 17,370 acres, a decrease of nearly 40 per cent.

A cold country, situated in a high northern latitude, Norway nevertheless comes much nearer to supplying all that she consumes in the way of food than New Hampshire. This is undoubtedly because of the greater attention paid to agriculture there and the greater intensiveness practiced by the



Norwegian farmers. The result is shown by the percentage of home consumption supplied by the home production :

Potatoes	116.5
Oats	103.1
Peas, beans, etc.	67.1
Barley	39.1
Butter	131.1
Chese	99.

COMPARISON OF AREA DEVOTED TO CEREALS AND POTATOES IN  
NEW HAMPSHIRE <sup>a</sup> AND NORWAY FOR CERTAIN YEARS  
1875 TO 1909.

Year	Potatoes				Cereals			
	New Hampshire		Norway		New Hampshire		Norway	
	Acres	Per cent total land area	Acres	Per cent total land area	Acres	Per cent total land area	Acres	Per cent total land area
1875	.....	.....	455,719	.60	.....	.....	86,187	.11
1879	85,559	1.48	.....	.....	28,778	.50	.....	.....
1889	61,498	1.06	.....	.....	22,085	.38	.....	.....
1890	.....	.....	449,628	.59	.....	.....	96,672	.13
1899	42,335	.73	.....	.....	19,423	.34	.....	.....
1900	.....	.....	401,986	.53	.....	.....	90,700	.12
1907	.....	.....	416,190	.54	.....	.....	101,718	.13
1909	32,928	.57	.....	.....	17,370	.30	.....	.....

<sup>a</sup> Based on censuses of the United States.

<sup>b</sup> Based on Norges Jordbrug og Faedrift i Femaarsperioden 1896-1900, and Statistisk Aarbok, 1912.

The extent to which the area of Norway and New Hampshire is devoted to the various crops is as follows :

Percentage of total

land area	Norway	N. H.
Cereals	.544	.569
Hay	2.760	8.727
Potatoes	.133	.300
Legumes	.013	.057

COMPARISON BETWEEN NEW HAMPSHIRE AND NORWAY WITH  
RESPECT TO THE AMOUNT AND PROPORTION OF THE LAND  
AREA DEVOTED TO CERTAIN CROPS AND THE AVERAGE  
PRODUCT, PER ACRE AND PER CAPITA FOR THOSE  
CROPS, AND THE AVERAGE PRODUCT PER  
CAPITA OF MILK AND BUTTER.

Product	Per cent of total land area		Average product per acre		Average product per capita	
	New Hampshire	Norway	New Hampshire [1909]	Norway [Ave. 1901-1905]	New Hampshire [1909]	Norway [Ave. 1906-1910]
Barley.....	.015	.116	24.5 bu.	31.9 bu.	.05 bu.	1.22 bu.
Buckwheat.....	.018	....	25.0 bu.	....	.06 bu.	....
Corn.....	.343	....	46.2 bu.	....	2.28 bu.	....
Mixed cereals...	....	.020	....	38.0 bu.	....	.26 bu.
Oats.....	.188	.343	35.6 bu.	39.4 bu.	.90 bu.	3.97 bu.
Rye.....	.004	.049	17.4 bu.	27.7 bu.	.01 bu.	.39 bu.
Wheat.....	.001	.016	18.7 bu.	24.9 bu.	.003 bu.	.13 bu.
Other cereals....	.0004	....	15.1 bu.	....	.0008 bu.	....
All cereals.....	.569	.544	41.2 bu.	30.8 bu.	3.15 bu.	5.96 bu.
Legumes.....	.057	.013	7.1 bu.	22.7 bu.	.05 bu.	.08 bu.
Potatoes.....	.300	.133	135.9 bu.	260.0 bu.	5.48 bu.	9.36 bu.
Hay, alfalfa, etc..	8.727	2.760	.9 ton	1.59 tons	1.04 tons	1.42 tons
Green forage....	.440	.442	5.3 tons	....	.31 ton	....
Milk.....	....	....	....	....	103.26 gals.	31.00 gals.
Butter.....	....	....	....	....	15.81 lbs.	3.44 lbs.
Cheese.....	....	....	....	....	.86 lbs.	7.13 lbs.

a Compiled from data in Norges Jordburg og Faedrift 1901-1905.

While the percentage of the area of New Hampshire devoted to food crops would seem to compare favorably with that of Norway, except for the fact that in the case of New Hampshire there has been a steady shrinkage, a comparison of the yield per acre does not show such favorable results.

Production per acre	Norway	N. H.
Barley	29.3	24.5
Oats	26.5	35.6
Rye	22.1	17.4
Wheat	23.4	18.7
Potatoes	166.7	135.9
Hay and Forage	1.66	1.1



COMPARISON OF AVERAGE PRODUCT PER ACRE FOR CERTAIN CROPS IN NORWAY AND NEW HAMPSHIRE FOR CERTAIN YEARS FROM 1870 TO 1909.

Year	Barley		Oats		Rye		Wheat		Potatoes		Hay and Forage	
	Norway	New Hampshire	Norway	New Hampshire	Norway	New Hampshire	Norway	New Hampshire	Norway	New Hampshire	Norway	New Hampshire
	Bu. a	Bu. a	Bu. a	Bu. a	Bu. a	Bu. a	Bu. a	Bu. a	Bu. a	Bu. a	Tons b	Tons a
Average 1866-1870.....	30.9	22.5	38.9	34.5	25.6	10.8	23.4	239.4	240.9	116.7	b	.9
Average 1876-1880.....	33.1		42.2		26.6		25.4					
1879 .....												
Average 1886-1890.....	33.0	22.8	40.5	33.5	27.9	11.3	24.4	247.6	86.8		b	1.0
1889 .....												
Average 1896-1900.....	34.6	29.2	41.0	39.5	27.7	15.2	26.8	249.2	124.6		1.64	1.1
1899 .....												
1907 .....	29.3	24.5	26.5	35.6	22.1	17.4	23.4	166.7	135.9		1.66	1.1
1909 .....												

*a* Acreage was not reported prior to the census of 1880.

*b* Data on acreage and production of hay were not reported prior to the period 1896-1900.

A little over 20 per cent of the farms in Norway are not more than 1.2 acres in extent. Fifteen per cent are not more than 3 acres. This compares with .3 per cent in New Hampshire. In Norway 43.26 per cent of the farms are from 2.5 acres to 12.4 acres in size. In New Hampshire only 8.7 per cent were in the class ranging from 3 to 9 acres. Of farms about 250 acres in size there are only .02 per cent in Norway and 9.2 per cent in New Hampshire.

COMPARISON BETWEEN NORWAY AND NEW HAMPSHIRE, WITH  
RESPECT TO THE PERCENTAGE OF ALL FARMS HAVING  
AREAS WITHIN CERTAIN SIZE GROUPS AND THE  
PERCENTAGE HAVING AREAS WITHIN  
SUCCESSIVE SIZE LIMITS.<sup>a</sup>

Size Group	Per cent of farms in each size group		Cumulative per cent of farms within successive size limits	
	Norway 1907	New Hampshire 1910	Norway 1907	New Hampshire 1910
Up to 1.2 acres.....	20.20			
From 1.2 acres to 2.5 acres.....	15.00		35.20	
Up to 3 acres.....		.3		.3
From 2.5 acres to 12.4 acres.....	43.26		78.46	
From 3 acres to 9 acres.....		8.7		9.0
From 12.4 acres to 24.7 acres.....	11.96		90.42	
From 9 acres to 19 acres.....		7.9		16.9
From 24.7 acres to 49.4 acres.....	6.68		97.10	
From 20 acres to 49 acres.....		16.7		33.6
From 49.4 acres to 123.6 acres.....	2.69		99.79	
From 50 acres to 99 acres.....		23.1		56.7
From 123.6 acres to 173.0 acres....	.15		99.94	
From 100 to 174 acres.....		23.1		79.8
From 173.0 acres to 274.1 acres....	.04		99.98	
From 175 acres to 259 acres....		11.0		90.8
Over 247.1 acres.....	.02		100.00	
Over 260 acres.....		9.2		100.0
[From 260 acres to 499 acres]..		[6.7]		
[From 500 acres to 999 acres]..		[1.9]		
[1000 acres and over].....		[0.6]		

<sup>a</sup> Compiled from data in the Statistisk Aarbok for Kongeriket Norge, 1912, and the 13th Census of the United States.



**Intensive  
Farming One  
Remedy**

It is well said that farming in New Hampshire to be successful should be both "intensive and extensive." By extensive is meant the pressing into service all the farmland that can be placed under the plow, and by intensive the use of the latest methods of scientific farming to give the highest yield per acre.

Fertility of soil is not so much the measure of crop production as the ability of the man who tills it. Much depends upon encouraging better methods of marketing and a more cooperative spirit among farmers in this part of the country. If cooperation in buying and selling can be introduced here, as it has been in some parts of the West and as it is just about to be tried in Hampden County in Massachusetts, it would help.

The National Department of Agriculture, the State Experiment Station and our Agricultural Colleges and other agencies are ready to help in the organization of such cooperative association. The railway industry, which I represent, and whose prosperity is linked inseparably with that of the farmer, is also ready to give encouragement to work of this kind.

Of course, one of the vital needs of the situation is to find men to work the farms. There are many signs today that New England land is on the point of being rediscovered, that many farmers, finding western land too high to afford profitable returns, are turning their attention toward New England. It behooves those interested in promoting agriculture here, to take up seriously this question of advertising New England's opportunities.

A systematic campaign might tend to divert the stream now flowing across the Canadian border and bring from the West those seeking a more lucrative field for farming. It should be possible to attract here some of the thrifty farmers

of Europe, whose movement heretofore has been towards our western land and to Canada. These farmers are sagacious and prudent; they know the benefits of cooperation and how to practice intensive methods. They have heard much about the West and little about New England. If our New England cities can be so advertised abroad as to attract the artisan here from Europe, is there any reason why New England land cannot be just as well advertised? This problem of reaching the immigrant farmer and the dissatisfied western farmer should be studied carefully, and if this is done, agriculture in New England should be improved.

**Norway's** As compared with Norway, New Hampshire  
**Railroad** enjoys much better railroad facilities. Norway  
**Facilities** has only 1.6 miles of railroad for every 100  
**Inferior** square miles and New Hampshire has 13.2.

Dividing the population by the miles of lines, gives 1260 people for every mile in Norway and only 350 people in New Hampshire. Out of 1917 miles of railway in Norway 1634 are Government lines. Of the twelve private roads in that country the longest has but 42 miles of line. There are three different operating railways in New Hampshire, the Boston & Maine, the Maine Central, and the Grand Trunk railways and their aggregate mileage within the state is 1191 miles.

	Ave. Revenue per ton mile (cents)	Ave. Revenue per passenger mile (cents)
Norwegian Railways,. (State and private)	1.4	1.21
New Hampshire Railways,	1.058	1.83

It will be seen that the Norwegian roads as a whole get more for freight and less for passengers than the New Hampshire roads, but their service is not so good. The operating ratio of the Norwegian railways is 75.5 per cent and of the New Hampshire railways 76.13 per cent, although their wages are much less than ours.



Passenger rates also differ very much from those here, travel in Norway, as elsewhere abroad, being divided into three classes, and the rate varying according to the distance. For a journey of 31 miles the first class passenger pays at the rate of 3.8 cents a mile, the second class passenger 2.15 cents and the third class 1.402. It will be seen that the third class only approximates ours. For a journey over 31 miles and up to 93 miles the Norwegian passenger pays at the rate of 2.803 cents for first class, 1.89 cents for second class, and 1.18 cents for third class. For journeys over 186 miles there is still a further reduction. Only our commutation rates would resemble this system.

**The Future  
Holds the  
Key**

Now, I have touched here, at the risk of wearying you, upon your own great business of banking, upon agriculture, and upon transportation, or the work of the common carriers. These three great pursuits, agriculture, banking and the carrier are necessarily the A B C of the alphabet of growth and prosperity. Unless all are developed along right lines and have a reasonable measure of success, the best growth cannot come to a community or a commonwealth.

I believe this is axiomatic and it is easy to state it, but the question is, what can we do about it? You who are in the banking business can do much to help, and we can do something with you in cooperating with state authorities and others in trying to encourage an improvement in agricultural business. Together with you, the State and Federal authorities, we have a big problem to solve in trying to help the carrier. No matter what the causes in the past for the present conditions, the problem is now what to do in the future.

The Boston & Maine is a great railroad, serving great and populous communities. Its income and its outgo, however, are not now properly balanced. To balance them

properly the assistance and cooperation of everyone is necessary.

**Factors in the B. & M. Problem** With the help of State and National railroad commissioners the officers are now at work in trying to bring about some readjustment of tariffs that, in a given twelve months, should produce results which would mean an increase in earnings, from the same volume of business, of a million and a half to two million dollars. The officers of the Company, in connection with the officers and managers of the Pullman and Express Companies, are now engaged in negotiations to bring about an adjustment of those contracts. The money value of that adjustment is exaggerated in the public mind, because the express rates are going to fall the first of February, the parcels post having cut into their business, and the express companies are having as difficult a time as are the railroad companies in making satisfactory returns under present conditions. However, both of these companies have evinced a willingness to make an adjustment, and it is to be hoped that it will be brought about in the near future. It has been my pleasure and privilege to use such personal influence as I had to bring about an agreement for a readjustment of those contracts before I gave up official connection with the Boston & Maine company.

There are other contemplated changes in rules and regulations which may bring in additional money, and there are reductions in train service already made that may save considerable money.

**Those who Should Help** Now, in making all these adjustments, the public is asked to contribute something in reduced train service and something in paying a trifle more when they travel or ship, but not a heavy burden individually. The employees are going to contribute somewhat, because the company has not the



means with which to make those improvements that make better working conditions on the railroad.

The stockholders of the Boston & Maine road have already contributed by receiving no return on their stock, and their very principal has shrunk in value. There is, however, a class of people who should be interested in the welfare and the rehabilitation of the Boston & Maine system, your Governor has spoken of them, and so has the Interstate Commerce Commission, and the Attorney General of the United States, and they are the people who hold the stocks in the so-called leased lines.

There are sixteen important leased lines, receiving from the Boston & Maine, under guarantees from 5 per cent up to 10 per cent per annum, \$3,345,784 a year. A reduction of 1 per cent on these lines would mean \$512,290 a year. A reduction of 2 per cent would mean \$1,024,580 a year.

Now let me urge upon you and upon the people of New Hampshire and upon the people of Massachusetts, that, in as much as the stockholders of the Boston & Maine have given up everything, the public are asked to contribute something in the way of advanced rates and reduced service; that you urge upon your friends and acquaintances who hold these leased line stocks that, in their own interests and in the interest of all, they assent to some plan which will bring about a readjustment and rehabilitation of the Boston & Maine road, even if such readjustment and rehabilitation makes them give up something.

**The State and  
Federal  
Commissions**

There is one other class of people vitally interested in working out this New England transportation problem to which we have paid a great deal of attention in the last few years and that is the members of our commissions, both state and federal. These commissions in the last few years have realized that they carried a great responsibility to

the owner of property as well as to those whose only interest is in the using. Judge Prouty, who is perhaps in the most experienced commission as now constituted and who has paid particular attention to the New England situation, said about a year ago, at a meeting of all railway commissioners of the United States:

“At the same time, gentlemen, it is the duty of the Railroad Commission to most scrupulously protect the railroad and to mete out to the railroad the most exact justice. It is coming to be apprehended that that is required not merely as a measure of justice to the railway, but as a measure of right in the interest of the public.

“The railroad is a public servant. That phrase comes to us from the Supreme Court and has been for a quarter of a century in the mouth of everybody who has to do with this subject. It comes as time goes on to take on a different meaning. Originally the people said, ‘The railroad is our servant; therefore we can lick the railroad and cuff the railroad ad libitum.’

“It is coming to be understood, gentlemen, that just as your servant can only properly discharge his duties when he is suitably fed, suitably clothed and suitably housed, so the railroad can only properly discharge its duties when it receives proper treatment from the public.

“It is coming to be apprehended that in the final analysis the public pays the bill, and that it pays for us as railroad commissioners to accord to the railroads just and fair treatment. That, I say, is not only demanded by public justice; it is demanded by public interest.

“Gentlemen, it requires ability of an extremely high order to discharge those two contradictory functions, to be at once, so to speak, an advocate and a judge. Not only that, the railroad commissioners of today are dealing with the great economic problem which is before this country. The United States is trying an experiment

which never has been successfully worked out yet in the history of the world. It is trying to build, develop, and operate its railroads by private capital under rates and regulations fixed not by the owners of that capital but by the public. That, I say, is an experiment which has never yet been successfully worked out to the end.

“There is not the slightest trouble in dealing with the problem which, to use the phrase of Chief Justice Waite in the old Munn case, has already been clothed or devoted to the public service. We can make rates reasonable, we can remove discriminations, we can put on schedules for the running of trains; all that is easy. The question is here, *Can you obtain under this system the new money which is necessary to develop our old railroad systems and to build our new railroad systems?*”

“That is the crucial question. That question I have not got to deal with, but you younger gentlemen within the next twenty-five years will have it to deal with.”

**Co-operation Assured** So far as I have the legal and moral right, I shall be glad to cooperate with the various governmental agencies, with the Directors and with the owners of the Boston & Maine in working out such a plan. The New Haven, however, is preparing to withdraw in deference to the views expressed by the Department of Justice, but we are anxious to see northern New England equipped with a first class railroad which will grow and develop in every way. If it does, the New Haven will handle a greater volume of business to and from this great country north of the Massachusetts-Connecticut state line, and that will help the New Haven road.

**Value of Local Men** The complications concerning New England railroads have been so great during the past few years that what we call the higher officers have had their time almost exclusively taken up with courts, commissions, hearings, etc., so by necessity your



dealings with the railroad are with the men who live in or near your community, and I am very glad to be able to say from what I heard here today, and from what I heard in Boston, that the Boston & Maine is ably represented here by Mr. Powers and by your Ticket Agent Steele. I know those two gentlemen want to meet your views so far as is in their power. The desire of the Boston & Maine management, from top to bottom, is to man the road well, to have courteous and efficient men on guard at all times.

**Present Situation Serious**      The situation is a serious one. It is no use blinking. The last year the Boston & Maine paid interest and had \$50,000 left over. For the first six months of this fiscal year it fell behind \$1,250,000 of last year, so you can see it must between now and the first of June try to find a way of greater saving than heretofore. It is important in the operation to increase earnings or it will close the year without sufficient funds to meet its lawful obligations. It is a serious question, but I believe it will be met; and I am glad to be here tonight, and ask you to help in this critical period in the history of one of your great New England railways.

**Individual Influences Greatest**      I ask you to use your influence with the newspapers, with the legislators, whether in the State or National Legislature, and with your executive, and in your own circle, to bring everyone into hearty accord that we may work out some first class plan to put this great Boston & Maine road in such a position that it can do the greatest service to you today, and be of greater service to your children and grandchildren. I don't make that appeal on selfish grounds, but for all New England, because if you cannot put the Boston & Maine in good shape, if you cannot put all your railroads in good shape,

it will affect the credit of all New England. It will affect the credit of the whole United States. It will reflect on your manufacturing business, and in countless other ways. So I ask you to think it over. I want you to fix it. If you don't you will hurt New England. It is a great task — almost a national task. I am very glad to be able to help a little. I only wish I could help more.

I want to thank you for asking me to come here and to thank you for your patience in listening to me.













